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AFRH CAN PROVIDE
REASONABLE ASSURANCE
THAT FMFIA OBJECTIVES
ARE MET. — Steven G. McManus (COO)

MANAGEMENT LETTER OF ASSURANCE

The AFRH is in full compliance with all applicable requirements in accordance with the Federal Managers' Financial Integrity Act (FMFIA), PL No. 97-255 Section 2, and OMB Circular A-123 – Management's Responsibility for Internal Control. AFRH managers, along with our partners BPD and the National Finance Center (NFC), actively participate in all Internal Controls (ICs).

Based on our annual analysis, the AFRH can provide reasonable assurance FMFIA objectives are met. Also, no material weaknesses have been reported in our ICs or financial reporting. Given our comprehensive management controls, I am pleased to certify with reasonable assurance that:

- » AFRH financial reporting is reliable. Transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with GAAP. Assets are safeguarded against loss from unauthorized acquisition, use, or disposition
- » AFRH ICs are effective for both the financial reporting through our partner BPD and for our campus operations through our corporate ICs Board
- » AFRH is in compliance with all applicable laws and regulations under FMFIA, FFMIA, and FISMA. Financial and business exchanges are executed in accordance with laws governing the use of budget authority as well as laws and regulations that could have a direct and material effect on the financial statements
- » AFRH performance reporting is reliable. Performance measures are properly recorded, processed, and summarized to permit information preparation per criteria established by AFRH management

Further, CARF inspectors have verified that several financial ratios are above the median, which indicates that the AFRH is a healthy, strong organization that is embracing industry standards.

Steven G. McManus

AFRH COO
November 15, 2012